

299 - INTEGRATED WASTE MANAGEMENT DEPARTMENT ENTERPRISE

Operational Summary

Mission:

To meet the solid waste disposal needs of Orange County through efficient operations, sound environmental practices, strategic planning, innovation and technology.

Strategic Goals:

- Maintain a competitive rate for waste disposal in Orange County.
- Protect water, air and habitat in the management of the Orange County Disposal System.
- Financially support the County of Orange's Bankruptcy Recovery Plan.

Key Outcome Indicators:

Performance Measure	2004 Business Plan Results	2005 Business Plan Target	How are we doing?
GATE FEE COMPARISON WITHIN SOUTHERN CALIFORNIA REGION. What: Comparison of disposal rate of the OC landfill system compared with other landfills in the region. Why: To ensure that Orange County residents are provided a competitive disposal rate.	The \$22 per ton is a contracted rate that is anticipated to stay in effect until 2010.	Evaluate disposal rates and adjust operating strategies to ensure IWMD's rates remain competitive.	IWMD's rates are currently in the lowest 10% within the Southern California region.
NUMBER OF YEARS OF REMAINING LANDFILL CAPACITY. What: Measures if Orange County meets state minimum standard of providing 15 years of landfill capacity. Why: To ensure that Orange County residents are provided with adequate landfill capacity.	To maintain 25-30 years of permitted landfill capacity.	Perform remaining landfill capacity calculations and compare results against the state minimum standard of 15 years capacity for all jurisdictions to ensure adequate capacity.	IWMD has more than adequate capacity to fulfill the requirement.
TOTAL VOLUME OF LEACHATE AND IMPACTED GROUND WATER COLLECTED THROUGH THE LEACHATE RECOVERY SYSTEM. What: Measure the amount of leachate and ground water collected. Why: To protect water quality from the effects of leachate. Mandated by law.	The total volume of leachate and impacted ground water to be collected through the leachate collection and recovery system during FY 04-05 is estimated to be at least 4,085,337 gallons.	Continue to install landfill liner systems, and optimize leachate and groundwater collection for water quality protection.	IWMD currently has collection and recovery systems in place at each landfill to collect leachate and impacted ground water.

At a Glance:

Total FY 2004-2005 Projected Expend + Encumb:	153,339,097
Total Recommended FY 2005-2006	135,076,225
Percent of County General Fund:	N/A
Total Employees:	275.00

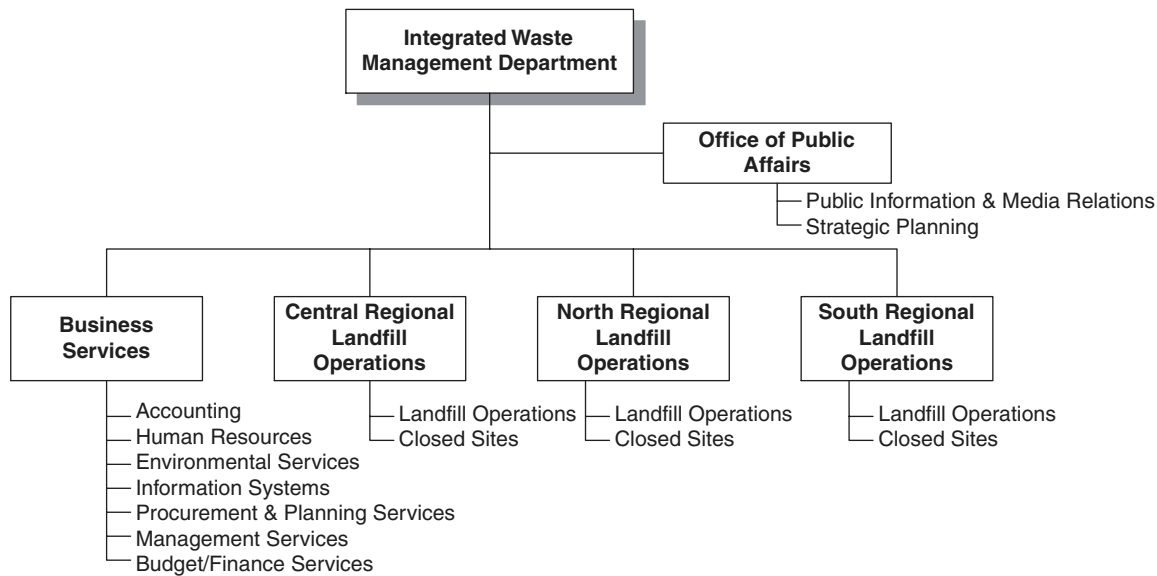
Key Outcome Indicators: (Continued)

Performance Measure	2004 Business Plan Results	2005 Business Plan Target	How are we doing?
AMOUNT OF LANDFILL GAS COLLECTED AND PUT TO BENEFICIAL REUSE. What: Collection of landfill gas and put to beneficial reuse that would have emitted into the atmosphere. Why: To protect the air from the effects of landfill gas. Regulations require landfill gas management.	The total volume of landfill gas collected and put to beneficial reuse is estimated to be at least 4,055 million standard cubic feet.	Expand landfill gas collection systems. Collect landfill gas - put to beneficial use and for protection of air quality.	Currently, IWMD has operational Landfill Gas-to-Energy systems at Olinda Alpha and Prima Deshecha Landfills. Installing a system at FRB is currently under negotiation.
NUMBER OF HABITAT ACRES CURRENTLY UNDER RESTORATION / MITIGATION. What: Measures the number of landfill acres under restoration to recreate natural habitats. Why: To comply with the Natural Community Conservation Program (NCCP).	FRB Landfill: Increased native plant coverage at mitigation sites. Decreased exotic weed population. Prima Landfill: Approval from Resource Agencies for Phase B Bio-mitigation area.	Continue to implement adaptive management strategies, and begin the next phase of the proposed pre-mitigation project within the habitat areas.	FRB Landfill: Mitigation sites are benefiting from their second year under the new weed abatement program. Prima Landfill: Through concerted efforts with other entities, Prima landfill can potentially play a key role in the regional environmental planning due to its habitat management plan.
NET IMPORTATION REVENUE AMOUNT TRANSFERRED TO THE COUNTY GENERAL FUND PER YEAR. What: Revenue transferred to the County General Fund from imported waste. Why: To support the County's Bankruptcy Recovery Plan.	IWMD anticipates transferring \$12.9 million to the General Fund in FY 04/05. Based on actual amount of tonnage received.	The Department target for FY 05/06 is to provide the maximum transfer of funds in support of bankruptcy obligations.	As of 12/31/04 \$112,688,827 or an average of \$10,941,579 per year has been transferred to the General Fund. IWMD secured additional tonnage commitments that guarantee a minimum of 867,000 tons per year of imported waste through December 31, 2013.

FY 2004-05 Key Project Accomplishments:

- Existing Waste Disposal Agreement Contracts were extended for 3 additional years ensuring secure waste stream and resulting revenues.
- Completed Phase I of the San Juan Capistrano/San Clemente trail system on Prima Deshecha landfill property.
- Completed Phase B Streambed Alteration Project and Habitat Mitigation Plan at Prima Deshecha landfill.
- IWMD received an unqualified financial audit opinion indicating accurate representation, confirmation that IWMD continues to be financially responsible in performing public service.
- Implemented a comprehensive virus protection and security patch management solution to ensure that IWMD network is protected against computer viruses and hackers.
- Received Exhibitor Award for educational outreach at Orange County Fair.

Organizational Summary



Business Services - Conducts Department accounting, budget, finance, and procurement activities; implements and maintains Department information systems; manages human resources needs of the Department; and provides various general support services; oversees regulatory compliance issues; administers Waste Disposal Agreements; manages contracts for solid waste services in the unincorporated areas; coordinates the operations of regional Household Hazardous Waste Collection Centers; coordinates with the cities in the administration of the County Integrated Waste Management Plan.

Central Regional Landfill Operations - Operates and manages daily activities at the Frank R. Bowerman Landfill which accepts and disposes of residential, commercial and industrial non-hazardous waste; manages and maintains five closed landfill sites.

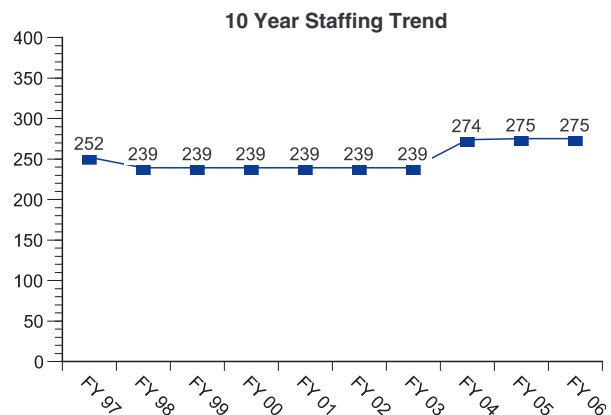
North Regional Landfill Operations - Operates and manages daily activities at the Olinda Alpha Landfill which accepts and disposes of residential, commercial and industrial non-hazardous waste; manages and maintains ten closed landfill sites.

South Regional Landfill Operations - Operates and manages daily activities at the Prima Deshecha Landfill which accepts and disposes of residential, commercial and industrial non-hazardous waste; manages and maintains five closed landfill sites.

Office of Public Affairs - Facilitates long-range planning; identifies, analyzes and manages liability matters related to IWMD solid waste operations; develops strategies for resolving legal issues; conducts negotiations with developers, municipalities and property owners; conducts community and media relations.

IWMD Director - Directs the administrative management activities of the Department to accomplish Department goals and strategic priorities.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- In FY03/04, 35 positions were converted from extra-help to regular positions due to expansion of the landfills, increased regulations and increasing habitat mitigation requirements. In FY04/05 1 regular position was added to perform the records management function. In FY05/06, 0 positions are requested.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Department will continue to provide available landfill capacity as needed for importation of waste and transfer net importation revenue to the General Fund for bankruptcy related obligations.

Changes Included in the Recommended Base Budget:

The base budget reflects reductions to Fixed Assets and Operating Transfers Out.

Proposed Budget History:

Sources and Uses	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual	Budget As of 3/31/05	Projected ⁽¹⁾ At 6/30/05	Recommended	Projected Amount	Percent
Total Positions	-	275	275	275	0	0.00
Total Revenues	198,249,308	155,175,017	182,983,679	135,076,225	(47,907,454)	-26.18
Total Requirements	149,301,146	142,175,018	149,102,969	135,076,225	(14,026,744)	-9.41
Balance	48,948,162	12,999,999	33,880,710	0	(33,880,710)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2004-05 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Integrated Waste Management Department Enterprise in the Appendix on page 699

Highlights of Key Trends:

- IWMD continues to support the County General Fund in FY 05/06 with an estimated transfer of \$12.8 million for bankruptcy recovery debt obligations.
- IWMD continues in its development of its Succession Planning Program, grooming of its employees at all levels to become leaders in their fields. Investment in the employees of today for IWMD's future leadership of tomorrow.
- Development progresses on our fully automated Records Management System. This system will allow easier access and retrieval of records, reduce record redundancy, and improve the departments overall records management efficiency.
- IWMD continues its use of the Computer Aided Earth Moving System (CAES) in heavy equipment at County Landfills. This satellite-based system facilitates more accurate and efficient landfill operations that preserve valuable landfill capacity.
- Strategic Planning is the Regional Landfill Options for Orange County (RELOOC) project that will look beyond current capacity and plan for future disposal needs of the County.

Budget Units Under Agency Control:

No.	Agency Name	Business Services	Central Regional Landfill Operations	North Regional Landfill Operations	South Regional Landfill Operations	Office of Public Affairs	IWMD Director	Total
274	IWMD Corrective Action Escrow	30,000	0	0	0	0	0	30,000
275	IWMD - Environmental Reserve	7,892,021	0	0	0	0	0	7,892,021
277	IWMD - Rate Stabilization	1,913,762	0	0	0	0	0	1,913,762
279	IWMD - Landfill Post-Closure Maintenance	10,009,597	0	0	0	0	0	10,009,597
284	Frank R. Bowerman/ Bee Canyon Landfill Escrow	3,627,898	0	0	0	0	0	3,627,898
285	IWMD Bankruptcy Recovery Plan	19,900,176	0	0	0	0	0	19,900,176
286	Brea-Olinda Landfill Escrow	4,308,386	0	0	0	0	0	4,308,386
287	Prima Deschecha Landfill Escrow	5,110,337	0	0	0	0	0	5,110,337
288	Santiago Canyon Landfill Escrow	2,651,000	0	0	0	0	0	2,651,000
299	Integrated Waste Management Department Enterprise	71,442,051	27,771,687	17,928,769	15,372,860	2,305,352	255,506	135,076,225
	Total	126,885,228	27,771,687	17,928,769	15,372,860	2,305,352	255,506	190,519,402

299 - Integrated Waste Management Department Enterprise

Operation of Internal Service Fund Operational Statement for the Fiscal Year 2005-2006

		FY 2003-2004	FY 2004-2005	FY 2005-2006	FY 2005-2006
Operating Detail		Actual	Estimate	Proposed Budget	Final Budget
(1)		(2)	(3)	(4)	(5)
OPERATING REVENUE					
6470	Franchises	47,374	68,500	68,500	68,500
6620	Rents and Concessions	600	600	600	600
6630	Royalties	617,204	564,000	202,000	202,000
7520	Sanitation Services	89,105,497	90,760,170	89,475,273	89,475,273
7590	Other Charges for Services	135,605	128,000	128,000	128,000
7662	Other Sales - Non-Taxable - Resale	39,757	41,000	41,000	41,000
7670	Miscellaneous Revenue	258,326	28,500	28,500	28,500
Total Operating Revenue		90,204,365	91,590,770	89,943,873	89,943,873
OPERATING EXPENSES					
Salaries & Benefits					
0100	Salaries and Wages	248,103	0	0	0
0101	Regular Salaries	13,255,622	13,937,913	14,206,928	14,206,928
0102	Extra Help	105,794	193,892	143,638	143,638
0103	Overtime	547,776	878,516	678,016	678,016
0104	Annual Leave Payoffs	120,751	131,089	358,047	358,047
0105	Vacation Payoff	8,897	28,238	111,992	111,992
0106	Sick Leave Payoff	63,209	154,000	347,060	347,060
0110	Performance Incentive Pay	141,972	28,859	50,105	50,105
0111	Other Pay	72,693	52,802	131,427	131,427
0200	Retirement	1,341,246	1,785,731	2,261,106	2,261,106
0204	County Paid Executive Deferred Compensation Plan	4,109	4,115	3,856	3,856
0301	Unemployment Insurance	22,253	22,967	21,062	21,062
0305	Salary Continuance Insurance	14,439	14,985	14,300	14,300
0306	Health Insurance	1,800,457	2,099,188	1,954,008	1,954,008
0308	Dental Insurance	28,705	29,299	29,532	29,532
0309	Life Insurance	4,829	4,357	6,204	6,204
0310	Accidental Death and Dismemberment Insurance	868	846	1,164	1,164
0319	Other Insurance	133,267	139,853	135,804	135,804
0352	Workers Compensation - General	1,243,440	1,490,000	1,328,832	1,328,832
0401	Medicare	150,454	161,879	156,512	156,512
Total Salaries & Benefits		19,308,883	21,158,529	21,939,593	21,939,593

Operation of Internal Service Fund Operational Statement for the Fiscal Year 2005-2006

		FY 2003-2004	FY 2004-2005	FY 2005-2006	FY 2005-2006
Operating Detail		Actual	Estimate	Proposed Budget	Final Budget
(1)		(2)	(3)	(4)	(5)
Services & Supplies					
0600	Clothing and Personal Supplies	57,386	87,250	94,100	94,100
0700	Communications	26,977	116,543	31,797	31,797
0701	Telephone/Telegraph - Interfund Transfer	139,690	94,064	173,600	173,600
0900	Food	114	0	0	0
1000	Household Expense	36,569	63,690	69,550	69,550
1001	Household Expense - Trash	12,188	7,400	20,400	20,400
1100	Insurance	172,021	228,273	262,306	262,306
1300	Maintenance - Equipment	7,147,465	7,777,365	7,755,952	7,755,952
1400	Maintenance - Buildings and Improvements	3,314,011	3,724,770	4,683,390	4,683,390
1402	Minor Alterations and Improvements	4,809	10,000	109,000	109,000
1500	Medical, Dental and Laboratory Supplies	1,394	5,650	5,000	5,000
1600	Memberships	353	915	990	990
1700	Miscellaneous Expense	0	200	0	0
1701	Cash Difference	668	1,520	1,500	1,500
1702	Cash Losses	20	0	50	50
1800	Office Expense	352,351	303,987	319,837	319,837
1801	Duplicating Services (RDMD/ Reprographics)	14,954	22,500	17,900	17,900
1802	Periodicals and Journals	4,165	2,685	3,540	3,540
1803	Postage	0	10,000	13,000	13,000
1805	Purchasing Stores Office Supplies	242	1,000	13,000	13,000
1806	Printing Costs - Outside Vendors	7,882	30,700	32,183	32,183
1809	Minor Office Equipment to be Controlled	356	0	0	0
1900	Professional and Specialized Services	11,098,614	18,124,913	14,549,190	14,549,190
1901	Data Processing Services	0	0	165,000	165,000
1908	Temporary Help	67,082	173,008	105,216	105,216
1911	CWCAP Charges	622,653	675,000	1,500,000	1,500,000
2000	Publications and Legal Notices	10,470	28,050	31,800	31,800
2100	Rents and Leases - Equipment	168,194	379,065	376,450	376,450
2200	Rents and Leases - Buildings and Improvements	477,441	1,123,779	1,134,000	1,134,000
2300	Small Tools and Instruments	77,547	97,035	109,350	109,350
2309	Minor Small Tools/Instruments to be Controlled	6,831	0	0	0
2400	Special Departmental Expense	89,018	4,011,171	1,167,625	1,167,625
2405	Optional Benefit Plan	93,583	89,004	98,004	98,004
2490	Landfill Closure/Postclosure Costs	2,253,145	305,000	850,000	850,000
2600	Transportation and Travel - General	1,676,525	1,810,750	2,073,600	2,073,600



Operation of Internal Service Fund Operational Statement for the Fiscal Year 2005-2006

		FY 2003-2004	FY 2004-2005	FY 2005-2006	FY 2005-2006
Operating Detail		Actual	Estimate	Proposed Budget	Final Budget
(1)		(2)	(3)	(4)	(5)
2601	Private Auto Mileage	18,581	47,859	33,350	33,350
2602	Garage Expense	293,765	531,000	286,150	286,150
2603	Executive Car Allowance	7,200	7,200	7,200	7,200
2700	Transportation and Travel - Meetings/ Conferences	71,615	136,430	169,150	169,150
2800	Utilities	909	116,300	115,000	115,000
2801	Utilities - Purchased Electricity	189,328	394,000	351,000	351,000
2802	Utilities - Purchased Gas	22,922	43,000	43,000	43,000
2803	Utilities - Purchased Water	63,823	117,200	93,500	93,500
Total Services & Supplies		28,602,860	40,698,276	36,865,680	36,865,680
Fixed Assets					
4000	Equipment	0	0	9,111,762	9,111,762
4200	Buildings and Improvements	0	0	10,550,000	10,550,000
Total Fixed Assets		0	0	19,661,762	19,661,762
Miscellaneous					
5300	Depreciation	11,233,384	12,000,000	15,000,000	15,000,000
Total Miscellaneous		11,233,384	12,000,000	15,000,000	15,000,000
Total Operating Expenses		59,145,127	73,856,805	93,467,035	93,467,035
Net Operating Income (Loss)*		31,059,238	17,733,965	(3,523,162)	(3,523,162)
NON-OPERATING REVENUE					
6530	Forfeitures and Penalties	29,601	15,000	25,000	25,000
6610	Interest	2,343,156	2,900,000	4,200,000	4,200,000
6970	State - Other	398,766	105,000	105,000	105,000
7110	Federal - Other	908	0	0	0
7130	Other Governmental Agencies	1,356	1,000	1,000	1,000
7680	Six-Month Expired (Outlawed) Checks	0	525	1,200	1,200
7690	Returned Check Charges	7,142	6,500	6,500	6,500
7852	Fixed Asset Sales - Non-Taxable - Resale	0	35,000	35,000	35,000
Total Non-Operating Revenue		2,780,928	3,063,025	4,373,700	4,373,700
NON-OPERATING EXPENSES					
1912	Investment Administrative Fees	157,504	180,000	166,875	166,875
3300	Interest on Bonds	3,535,116	2,919,355	2,686,903	2,686,903
3410	Debt Issuance Costs	113,877	100,000	120,000	120,000
3700	Taxes and Assessments	5,639,677	5,787,239	5,566,171	5,566,171
5400	Loss or (Gain) on Disposition of Assets	(22,757)	0	0	0
Total Non-Operating Expenses		9,423,418	8,986,594	8,539,949	8,539,949

Operation of Internal Service Fund Operational Statement for the Fiscal Year 2005-2006

		FY 2003-2004	FY 2004-2005	FY 2005-2006	FY 2005-2006
Operating Detail		Actual	Estimate	Proposed Budget	Final Budget
(1)	(2)	(3)	(4)	(5)	
Net Non-Operating Income (Loss)		(6,642,490)	(5,923,569)	(4,166,249)	(4,166,249)
Income (Loss) Before Contributions & Transfers**		24,416,748	11,810,396	(7,689,411)	(7,689,411)
CAPITAL ASSETS					
4000	Equipment	3,667,106	4,366,577	9,111,762	9,111,762
4200	Buildings and Improvements				
	<u>Government and Community Relations Division</u>				
	P016 SJC HHMCC Construction and Relocation	885,748	0	0	0
	<u>North Regional Landfill Operations</u>				
	P559 Flare (Construction)	0	118,902	0	0
	P560 Olinda - Additional Water Storage	0	0	150,000	150,000
	P569 Olinda Gas Collection and Control	958,627	755,233	0	0
	P573 Olinda Lower East Drainage Channel Constructi	133,240	1,496,335	0	0
	P575 Olinda Main Access Road Ext/Improvement	0	0	1,000,000	1,000,000
	<u>South Regional Landfill Operations</u>				
	P585 Prima Horizontal Gas Collection Pipe	35,889	100,000	100,000	100,000
	P810 Prima-Fee Booth Replacement	0	249,900	0	0
	P813 Prima-Zone 1 Phase C2 Mass Excavation/GW Prot	0	0	3,400,000	3,400,000
	P814 Prima Zone 1 Phase A & B CM/CQA/AP	613,305	0	0	0
	P831 Prima- Fee Booth Water Line Replacement	479,887	(33,495)	0	0
	P832 Phase B Stream Bed Mitigation	851,578	0	0	0
	P833 Zone 1 Phase B Mass Excavation	5,918,832	0	0	0
	P990 Prima Permit Parking/Master Plan	58	0	0	0
	P992 Prima Zone 1 & 4 Permits/Design/MP Update	30,000	339,160	0	0
	P993 Prima Zone 1 CM/CQA/A/P Services	207,305	133,535	0	0
	<u>Central Regional Landfill Operations</u>				
	P001 FRB-Archeo Paleo	32,368	175,000	0	0
	P884 FRB Potable Water System Improvements	0	100,000	100,000	100,000
	P887 FRB CM,CQA,ES Svcs-Ph8 Forward	0	0	2,400,000	2,400,000
	P888 FRB Ph8 Landslide Backcut Design	0	0	300,000	300,000

Operation of Internal Service Fund Operational Statement for the Fiscal Year 2005-2006

Operating Detail (1)	FY 2003-2004 Actual (2)	FY 2004-2005 Estimate (3)	FY 2005-2006 Proposed Budget (4)	FY 2005-2006 Final Budget (5)
P918 FRB Equipment Maintenance Facility	1,219,163	0	0	0
P941 Office Traffic Improvement	92,243	82,791	0	0
P944 FRB Phase V-D CM/CQA	104,203	145,067	0	0
P948 FRB-Phase 7A/8B Gas Header Extension	0	100,000	100,000	100,000
P949 FRB-Phase 7B Construction Follow-up	0	12,186,514	2,000,000	2,000,000
P950 FRB-Westface Rd Realign-Repair/Extend	0	632,000	1,000,000	1,000,000
P966 Stormwater Desilting Basin	1,452,031	0	0	0
P967 FRB Gas Lease Agreement	0	1,000,000	0	0
P998 FRB Phase VIIA Construction	9,317,877	3,615,381	0	0
P999 FRB CM/CQA/ES Services	981,235	1,426,199	0	0
Total Buildings and Improvements	23,313,589	22,622,521	10,550,000	10,550,000
Total Capital Assets	26,980,694	26,989,099	19,661,762	19,661,762
STATEMENT OF CHANGES IN NET ASSETS - UNRESTRICTED				
Income (Loss) Before Contributions & Transfers	24,416,748	11,810,396	(7,689,411)	(7,689,411)
7811 Interfund Transfers In - from Funds 101-199	1,585	0	0	0
7812 Interfund Transfers In - from Funds 2AA-299	8,925,885	15,480,528	6,877,940	6,877,940
4802 Interfund Transfers Out - to Funds 2AA-299	(35,763,473)	(17,440,082)	(12,425,350)	(12,425,350)
Changes to Reserves - Encumbrance - (Inc)/Dec.	4,483,216	10,644,874	0	0
Changes to Reserves - Net Assets - Reserved (Inc)/Dec.	(26,035,103)	(22,563,166)	(2,143,891)	(2,143,891)
Changes to Reserves - Net Assets, Invested in Capital Assets, Net of Related Debt (Inc)/Dec.	(18,934,026)	(13,000,000)	(18,500,000)	(18,500,000)
Net Assets - Unrestricted - Adjustment	134,855,166	0	0	0
Increase (Decrease) in Net Assets - Unrestricted	91,949,997	(15,067,450)	(33,880,712)	(33,880,712)
Net Assets - Unrestricted - Beginning of Year	43,001,835	48,948,162	33,880,712	33,880,712
Net Assets - Unrestricted - End of Year	48,948,162	33,880,712	0	0

*Note - Net Operating Loss is overstated in the 2005-06 Proposed and Approved Budget columns due to budgeted fixed asset expenditures that will be capitalized at year-end.

**Note - Loss Before Contributions and Transfers is overstated in the 2005-06 Proposed and Approved Budget columns due to budgeted fixed asset expenditures that will be capitalized at year-end.

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2004-05 projected requirements included in "At a Glance" (Which exclude these).